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DEPT FOR PM/DTCC- BLUE LANTERN COORDINATOR

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [GT](#)
SUBJECT: GUATEMALA: BLUE LANTERN RESPONSE FOR 05122616 AND
050122547

REF: STATE 100396

¶11. (SBU) Summary: In response to reftel, PolMil Officer researched the bona fides of the arms import company Importador Aresco. The research included an on-site inspection of Importador Aresco, interviews with the company's owners, and records checks of both company and owners with the Guatemala's Arms and Munitions Control Department (DECAM). As a result of the investigation Post does not recommend approval of reftel licenses. End Summary.

¶12. (SBU) On September 30, PolMil Officer conducted an on-site inspection of Importador Aresco located at 19 Calle 22-55, Zona 10, Guatemala City, and interviewed the company's owners. Both owners, Gustavo Arango and Carlos Enrique de Jesus Lopez, were present and fully cooperative during the interview. Importador Aresco SA is located in the back of a wholesale computer supply company also owned by Arango. Importador Aresco consists of a reinforced room used for weapons storage and a small entry room containing an empty desk, one chair, and a DECAM poster. There are no signs publicizing the business, and PolMil Officer had to ask directions from the private security guard posted at the entrance to the property. To comply with local regulations Importador Aresco SA does not share common ingress and egress points with the much larger computer supply store that occupies the same building, and thus is considered a separate business, but the interview took place in the computer supply store.

¶13. (SBU) According to Arango, he started the computer wholesale business in 1999 and Importador Aresco in 2004. Arango stated that just like his computer wholesale business, his business model for Importador Aresco is the importation and wholesale of weapons to other vendors. Neither of his businesses has a sales floor, show room, or conducts advertising. To date Importador Aresco has imported handguns from Argentina in addition to 100 handguns and 175 .22 rifles from the United States. The interview was open and candid and PolMil Officer was granted access to the company's records and facility. Upon examination of the DECAM-certified weapon inventory log it became apparent that Importador Aresco sold 137 .22 caliber rifles (including the entire last shipment of 100) to arms dealer Leonel Alvarez, who operates three gun stores in the Department of Huehuetenango. The remainder of the .22 caliber rifles were sold to other arms dealers, or in some cases to arms dealers from remote departments serving as middle men for pre-identified private customers.

¶14. (SBU) Importador Aresco's books were in good order, but useless from an end-user perspective as the actual end recipients of the arms are not listed. To determine the bona fides of the majority of the actual recipients PolMil Officer would need to inspect the records of the three arms companies owned by Alvarez. In the course of other Blue Lantern investigations PolMil Officer has noticed that it is not

uncommon for companies to sell a portion of weapons imported under end user licenses to other arms dealers, but this is the first company that has been approved for end user licenses for the explicit purpose of brokering the weapons to other arms dealers. The business model followed by Importador Aresco appears to be legal under Guatemalan law, but these transactions greatly complicate efforts to determine the actual end users. Of major concern is that there is no local procedure in place to prevent an arms dealer turned down for a State Department export license from purchasing part or all of a weapons shipment imported by Importador Aresco.

QImportador Aresco.

¶ 15. (SBU) Arango declined to name the potential buyers of the 200 rifles covered under the pending licenses, but downplayed the possibility of selling them to Alvarez. His assertion that he does not seek buyers until he has possession of the weapons, and thus cannot provide the names of potential buyers, does not jibe well with the speed with which prior shipments were sold to other arms dealers according to Importador Aresco records. While there is no evidence that Importador Aresco is diverting weapons to companies or individuals that have been turned down for export licenses by the Department of State, the company's business model is a cause for concern.

¶ 16. (SBU) Aresco describes his company as a "small scale importer" and as a result his storage facilities are much smaller than other arms dealers that have been inspected by PolMil Officer. The weapons vault is constructed of thick cinder block walls with an additional steel grate installed on the one wall that is not reinforced. The vault has one standard motion detector aimed at the steel grate, but motion

detectors are not built into the walls, ceiling, and floor to detect vibrations. The vault does not contain gun safes which means that weapons are simply stored on book shelves constructed against one wall of the vault. The facility is guarded 24-hours a day by one armed guard and the building's alarm system includes 24-hour response from a private security company. According to DECAM's Director, Colonel David Barrientos, Importador Aresco's security precautions meet DECAM's minimum standards, but the security of the facility was well below the average toured by PolMil Officer.

¶ 17. (SBU) Comment: According to Barrientos, Importador Aresco was cited in 2006 for minor record keeping infractions, but is otherwise in good standing with DECAM. Barrientos stated that Alvarez's three companies in Huuhuetenango have been cited with minor records keeping infractions every year since 2003, as well as reporting the loss of handguns and attempting to register a firearm in the name of a deceased person. Barrientos stated that while Leonel Alvarez's companies have had regular problems with DECAM, his licenses have never been suspended.

¶ 18. (SBU) Importador Aresco is a small scale arms wholesale company that although technically a separate business is a branch of the principle owner's computer supply wholesale enterprise. Importador Aresco is in good standing with DECAM and its weapons storage area meets minimum local standards. However, Importador Aresco has no sales room and has no plans to begin marketing handguns to the general public, but rather sells the weapons in bulk to other gun dealers. Importador Aresco declined to provide information on the actual weapons dealers who will be responsible for the end user sale of the requested weapons, so Post was unable to conduct research the companies that would eventually conduct the end user transfer. As the admitted purpose of import licenses 05122616 or 050122547 is to transfer them in bulk to un-named weapons dealers Post cannot recommend approve of the reftel import licenses.